

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
2000 Biennial Regulatory Review --	)	CC Docket No. 00-229
Telecommunications Service Quality	)	FCC 00-399
Reporting Requirements	)	

**COMMENTS  
OF THE  
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION**

The National Telephone Cooperative Association (NTCA)<sup>1</sup> hereby submits comments opposing the imposition of federal service quality reporting requirements on rural telephone companies.<sup>2</sup> The Commission should not mandate the reporting of service quality information by rural telephone companies. It serves no meaningful national purpose to gather service quality data from rural local telephone companies and will be burdensome for these small LECs to provide the proposed reports. Local telephone service performance should continue to be under state jurisdiction.

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<sup>1</sup> NTCA is a national association of more than 500 rural incumbent local exchange carriers (ILECs). These ILECs provide telecommunications services to end users and interexchange carriers throughout rural and small-town America. NTCA members are typically small carriers that serve no more than 50,000 access lines; one-half of our members serve less than 2500 access lines. All of NTCA's members are included in the definition of a "rural telephone company," as defined by the Telecommunications Act of 1996.

<sup>2</sup> See 47 U.S.C. § 153 (37) for the definition of rural telephone company contained in the Communications Act of 1934, as amended.

## **The Commission Should Not Subject Rural Telephone Companies to Federal Service Quality Reporting Requirements**

Historically, rural telephone companies have not been subject to regulatory burdens of this nature at the federal level and it is mystifying that the Commission would seek to impose such an additional regulatory burden on rural telephone companies under the Biennial Review process. The Communications Act directs the Commission to conduct a “Biennial Review of Regulations” to “repeal or modify any regulation it determines to be no longer necessary in the public interest.”<sup>3</sup> The Biennial Review process, therefore, is not the proper proceeding for the FCC to determine whether to impose new quality of service reporting requirements on small LECs and CLECs serving rural areas, but rather it is a process to consider elimination of existing regulations. If the Commission seeks to consider the NARUC White Paper on the benefits of imposing additional service quality requirements on rural LECs, then a separate proceeding is appropriate for its consideration.<sup>4</sup>

Furthermore, such reporting is not necessary in areas served by rural telephone companies. Rural LECs provide service to approximately 8 percent of the access lines in America.<sup>5</sup> They serve mostly sparsely populated towns and counties with an average population density of about 13 persons per square

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<sup>3</sup> See 47 U.S.C. § 161 (b)

<sup>4</sup> The Commission is required to comply with the Regulatory Flexibility Act, 5 U.S.C. § 601 *et. seq.* before it adopts new rules increasing burdens on small entities. It is also required and has pledged to comply with the Paperwork Reduction Act of 1995, Pub. L. No. 104-13 when it increases information collection requirements.

<sup>5</sup> See *The Rural Difference*, Rural Task Force, White Paper 2, January 2000 at p. 18.

mile.<sup>6</sup> Rural LEC customers living in small closely-knit communities are intimately familiar with the quality of service provided by rural LECs. It is hard to see how such data would be more valuable to consumers than the reputation a company has in its local market. By their very nature small companies are focused on their local community and they respond quickly to problems because they are not insulated from the consumer by distance or size.

The diversity among rural companies is great. The Rural Task Force documented the differences among rural companies in its September 2000 report to the Universal Service Joint Board.<sup>7</sup> The rural community marketplace creates high incentives for rural LECs to maintain high quality service. The addition of federal reporting requirements would not provide any new incentives for rural companies to provide higher quality of service nor would such reports provide better or more timely disclosure of quality service information to rural consumers than they already have. The imposition of federal quality of service requirements on rural carriers would only serve to increase their administrative burdens and to increase their cost of providing service without providing rural consumers with new information. Through word of mouth, voluntary carrier disclosure, and state commission quality of service reports, rural customers already have sufficient information to make an informed choice. There is no

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<sup>6</sup> *Id.* at 19.

<sup>7</sup> Federal-State Joint Board on Universal Service, Rural Task Force Recommendation to the Federal-State Joint Board on Universal Service, CC Docket No. 96-45, (rel. September 29, 2000) (“RTF Recommendation”), Appendix C, White Paper 2 (“The Rural Difference”).

reason why the FCC should interject itself into the rural marketplace when there is no significant benefit gained.

If any service standards or measurements involving rural telephone companies are necessary, the state regulatory commission, not the FCC, should determine them. Certainly the state agency is in a much better position to assess the need for such rules. It is much more reasonable for a state regulatory agency to strike the balance between cost and consumer benefits when it involves small rural companies. These small rural companies serve small numbers of people in limited geographic areas. It makes no sense to gather and publish federal statistics for the more than 1200 independent telephone companies. They are parochial companies without a national presence. The Commission should therefore continue to exclude all rural telephone companies from service quality reporting requirements.

## Conclusion

NTCA urges the Commission dismiss imposing additional service quality reporting requirements on rural LECs as part of this Biennial Review proceeding for the reasons set forth above and NTCA respectfully requests the Commission to limit service quality reporting requirements to the non-rural telephone companies.

Respectfully submitted,

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January 12, 2001

## CERTIFICATE OF SERVICE

I, Rita Bolden, certify that a copy of the foregoing Comments of the National Telephone Cooperative Association in CC Docket No. 00-229, FCC 00-399 was served on this 12th day of January 2001 by first-class, U.S. Mail, postage prepaid, to the following persons listed below:

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